

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
CAMDEN DIVISION

IN RE:

Choates G. Contracting, LLC

CASE NO: 21-13085-ABA

**DECLARATION OF MAILING
CERTIFICATE OF SERVICE**

Chapter: 11

ECF Docket Reference No. 243

Judge: Altenburg

Hearing Date: April 27, 2023

Hearing Time: 10:00 am

On 3/23/2023, I did cause a copy of the following documents, described below,

Motion to Modify Confirmed Chapter 11 Plan w Cover Letter ECF Docket Reference No. 243

to be served for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing list exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

I caused these documents to be served by utilizing the services of BK Attorney Services, LLC d/b/a certificateofservice.com, an Approved Bankruptcy Notice Provider authorized by the United States Courts Administrative Office, pursuant to Fed.R.Bankr.P. 9001(9) and 2002(g)(4). A copy of the declaration of service is attached hereto and incorporated as if fully set forth herein.

Parties who are participants in the Courts Electronic Noticing System ("NEF"), if any, were denoted as having been served electronically with the documents described herein per the ECF/PACER system.

DATED: 3/23/2023

/s/ /s/ Daniel L. Reinganum

/s/ Daniel L. Reinganum

Attorney for Debtor

McDowell Law, PC

46 W. Main Street

Maple Shade, NJ 08035

856 482 5544

danielr@mcdowelllegal.com

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
CAMDEN DIVISION

IN RE:

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CASE NO: 21-13085-ABA

**CERTIFICATE OF SERVICE
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were deposited for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing list exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

The undersigned does hereby declare under penalty of perjury of the laws of the United States that I have served the above referenced document(s) on the mailing list attached hereto in the manner shown and prepared the Declaration of Certificate of Service and that it is true and correct to the best of my knowledge, information, and belief.

DATED: 3/23/2023



Jay S. Jump

BK Attorney Services, LLC

d/b/a certificateofservice.com, for

/s/ Daniel L. Reinganum

McDowell Law, PC

46 W. Main Street

Maple Shade, NJ 08035

JESSICA ANN BERRY
GREENSPOON MARDER LLP
343 THORNALL STREET, SUITE 640
EDISON, NJ 08837

SHIRLEY PALUMBO
GREENSPOON MARDER, LLP
100 WEST CYPRESS CREEK RD.
SUITE 700
FORT LAUDERDALE, FL 33309

WILLIAM CARL KATZ
SILVERANG, ROSENZWEIG & HALTZMAN, LLC
900 E. 8TH AVENUE
SUITE 300
KING OF PRUSSIA, PA 19406

DENISE E. CARLON
KML LAW GROUP, PC
701 MARKET STREET
SUITE 5000
PHILADELPHIA, PA 19106

MARK S. HALTZMAN
SILVERANG ROSENZWEIG & HALTZMAN
900 E. 8TH AVENUE
SUITE 300
KING OF PRUSSIA, PA 19406

STEVEN P. KELLY
STERN & EISENBERG, P.C.
1040 N. KINGS HIGHWAY
STE 407
CHERRY HILL, NJ 08034

BRADLEY K. SCLAR
FIVE GREENTREE CENTRE, SUITE 104
525 ROUTE 73 NORTH
MARLTON, NJ 08053

JEFFREY M. SPONDER
OFFICE OF U.S. TRUSTEE
ONE NEWARK CENTER
NEWARK, NJ 07102

TURN-KEY MANAGEMENT CORP.
ATTN: OFFICER, MANAGER, AUTHORIZED
AGENT
FOR SERVICE OF PROCESS
BELLEVILLE MI 48111-0000

BRAD V. SHUTTLEWORTH, ESQ.
ALVA & SHUTTLEWORTH
1445 SNYDER AVENUE
PHILADELPHIA PA 19145-0000

BITTENBENDER CONSTRUCTION, LP
5 N. CHRISTOPHER COLUMBUS BLVD.
PHILADELPHIA, PA 19106

BITTY ADVANCE
12550 BISCAYNE BOULEVARD
#304-B
MIAMI, FL 33181

BSI FINANCIAL SERVICES AS SERVICER FOR
IRP FUND II
1425 GREENWAY DRIVE, SUITE 400
IRVING, TX 75038

WATER REVENUE BUREAU
C/O CITY OF PHILADELPHIA LAW DEPARTMENT
TAX & REVENUE UNIT
BANKRUPTCY GROUP, MSB
1401 JOHN F. KENNEDY BLVD., 5TH FLOOR
PHILADELPHIA, PA 19102-1595

DREXEL PROPERTIES GP, LLC
926 WEST WALNUT STREET
ALLENTOWN, PA 18102

ESTATE OF RITA JONES
C/O ROSALIND GRANT
2937 SHELDON ROAD
LOUISVILLE, KY 40218

INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATION
PO BOX 7346
PHILADELPHIA, PA 19101

MIDFIRST BANK
999 NORTHWEST GRAND BOULEVARD
OKLAHOMA CITY, OK 73118

U.S. BANK NATIONAL ASSOCIATION, ET AL.
C/O NATIONSTAR MORTGAGE, LLC
P.O. BOX 619096
DALLAS, TX 75261

CITY OF PHILADELPHIA
LAW DEPARTMENT, MUNICIPAL SERVICES
BUILD
1401 JFK BOULEVARD, 5TH FLOOR
PHILADELPHIA, PA 19102-1595

PENNSYLVANIA DEPARTMENT OF REVENUE
PO BOX 280948
ATTN: BANKRUPTCY DIVISION
HARRISBURG, PA 17128-0948

PHILADELPHIA DEPT. OF LABOR AND
INDUSTRY
OFFICE OF CHIEF COUNSEL
444 NORTH THIRD STREET, SUITE 200
PHILADELPHIA, PA 19123

SANDRA RONESSA MILLER
3808 KIRKWOOD SAINT GEORGES ROAD
BEAR, DE 19701

STATE OF NEW JERSEY
DEPT OF LABOR - DIV. OF EMPLOYER ACCTS
PO BOX 951
TRENTON, NJ 08646-0059

STATE OF NEW JERSEY
DIVISION OF TAXATION - BANKRUPTCY
3 JOHN FITCH WAY, 5TH FLOOR
PO BOX 245
TRENTON, NJ 08695-0267

SUNBELT RENTALS
1275 W MOUND STREET
COLUMBUS, OHIO 43223

JACQUELINE VIGILANTE
90 N MAIN STREET
MULLICA HILL, NJ 08062

USPS FIRST CLASS MAIL PERMIT NO. 1000 PENNSVILLE, NJ 08070

Parties whose names are struck through were not served via First Class USPS Mail Service.

TOWNSHIP OF PENNSVILLE
ATTN: TAX OFFICE
90 NORTH BROADWAY
PENNSVILLE, NJ 08070



March 16, 2023

TO: Parties on attached service list

**RE: Chapter 11 Bankruptcy Case No. 21-13085-ABA
In Re: Choates G. Contracting, LLC**

To Whom It May Concern:

Enclosed please find the Debtor's Motion to Modify Confirmed Chapter 11 Plan. This motion should be heard by the Court on April 27, 2023 at 10:00 am in tandem with the Debtor's Modified Chapter 11 Plan (*Docket No. 240*) which was previously served on you.

If you require a copy of the Debtor's Modified Chapter 11 Plan, please contact me at DanielR@McDowellLegal.com.

Very truly yours,

Daniel Reinganum

Daniel Reinganum, Esq.

46 West Main Street, Maple Shade, NJ 08052
T: 856.482.5544 | F: 856.482.5511 | www.mcdowelllegal.com

Daniel L. Reinganum
McDowell Law, PC
46 W. Main Street
Maple Shade, NJ 08052
856-482-5544 / DanielR@McDowellLegal.com
Attorneys for Choates G. Contracting, LLC, Chapter 11 Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE:

Choates G. Contracting, LLC

Case No.: 21-13085-ABA

Chapter No.: 11

NOTICE OF MOTION TO MODIFY CONFIRMED CHAPTER 11 PLAN

TO: ALL PARTIES ON ATTACHED CERTIFICATION OF SERVICE

PLEASE TAKE NOTICE that on **April 27, 2023 at 10:00 a.m.**, or as soon as counsel may be heard, the undersigned, attorneys for Choates G. Contracting, LLC will move before the United States Bankruptcy Court, 400 Cooper Street, 4th Floor, Camden, NJ 08101, Courtroom 4B for modification of the Debtor's Second Amended Chapter 11 Plan of Reorganization Dated October 19, 2021 which was previously comforted but the Court.

PLEASE TAKE FURTHER NOTICE that all opposition to the motion must be in writing and filed with the Clerk of the Court with a copy served upon movant's counsel, whose name and address are set forth below, no later than 7 days before the hearing date. The addresses are as follows:

Clerk, United States Bankruptcy Court
401 Market Street
Camden, NJ 08101

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Daniel Reinganum, Esq.
McDowell Law, PC
46 W. Main Street
Maple Shade, NJ 08052

PLEASE TAKE FURTHER NOTICE that if written opposition is not timely filed and served, this Motion shall be deemed uncontested and the relief requested may be granted without the need for a hearing.

PLEASE TAKE FURTHER NOTICE that in support of the Motion, movant shall rely upon the annexed certification of Darrell Choates.

A proposed form of order is filed and served herewith.

Movant requests oral argument only if written opposition is timely filed and served.

Daniel L. Reinganum
Attorneys for Chapter 11 Debtor

BY: /s/ Daniel L. Reinganum
Daniel L. Reinganum

Dated: March 23, 2023

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Daniel L. Reinganum
McDowell Law, PC
46 W. Main Street
Maple Shade, NJ 08052
856-482-5544 / DanielR@McDowellLegal.com
Attorneys for Choates G. Contracting, LLC, Chapter 11 Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE:

Choates G. Contracting, LLC

Case No.: 21-13085-ABA

Chapter No.: 11

Hearing Date: April 27, 2023 at 10 am

CERTIFICATION IN SUPPORT OF MOTION TO MODIFY DEBTOR'S CONFIRMED CHAPTER 11 PLAN

I, Darrell Choates, do hereby certify as follows:

1. I am the principal of the Debtor, Choates G. Contracting, LLC.
2. For the reasons set forth below, the Debtor requests that the Court approve a modification of the Debtor's Confirmed Chapter 11 Plan by reducing Plan payments from \$10,000 per month in Year 2 to \$5,000 per month in Year 2.

The Confirmed Plan

3. On December 22, 2021 the Court confirmed the Debtor's Second Amended Small Business Subchapter V Plan, dated October 19, 2021 pursuant to 11 U.S.C. §1191(b) (the "Plan").
4. The Plan provides for the 100% repayment of all unsecured claims, the surrender in full satisfaction of a number of properties, and 100% repayment of the secured claim of Philly Properties GP, LLC.
5. Under the terms of the Plan, the Debtor was obligated to make monthly payments to the Sub-Chapter V Trustee as follows:
 - a. \$5,000 per month in Year 1
 - b. \$10,000 per month in Year 2
 - c. \$12,000 per month in Year 3

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TOTAL OF PERIODIC PAYMENTS: \$612,000

6. The total plan funding required for the Debtor to make all Plan payments¹ (without allowance for post-confirmation administrative expenses) was \$605,611.19. *See Exhibit A, Attached hereto.*
7. The Plan also required that real estate located at 122 Danton Lane, Mullica Hill, New Jersey be sold within one year of confirmation.
8. The Plan provided for the sale of other real estate, commonly known as 120 Peace Lane, 13 Riviera Drive, 703 West Road, and 5300 Master Street.
9. However, the Plan was originally set up so that even if no proceeds were realized from the sale of real estate, there would be sufficient funding to pay all required creditors in full. Stated differently – the Plan was set up to be overfunded from the start.
10. The Debtor closed on the sale of 122 Danton Lane, Mullica Hill, New Jersey on December 23, 2022 and as a result, a total of \$110,694.97 was applied to the Debtor's Plan obligations.² *See Exhibit B, HUD Closing Statement.*
11. The Debtor made all required Plan payments for Year 1, totaling \$60,000.
12. In total, post-confirmation, the Debtor has made payments and sold property such that the total amount paid out to creditors under the Plan is \$170,694.97.
13. This leaves a remaining Plan balance of \$434,916.22, without including post-confirmation professional expenses.
14. McDowell Law, PC has recently submitted a fee application for post-confirmation fees and expenses which totals \$34,688.62. No similar application has been filed by the Sub-Chapter V Trustee, but for purposes of this Motion, it will be assumed to be no more than \$12,000.
15. Adding these projected post-confirmation professional expenses to the Plan yields an adjusted remaining Plan balance of \$481,604.84.
16. The total amount to be paid as Periodic Payments in Years 2-5 of the plan is \$552,000.
17. If the Debtor's Periodic Plan Obligations are reduced from \$10,000 per month in Year 2

¹ This figure includes the post-confirmation addition of a \$6,700 general unsecured claim for Turnkey Management Corp. and a \$18,565 general unsecured claim for Scott E. Braidwood.

² Philly Properties GP, LLC received \$88,555.98 at settlement (Line 1306, Exhibit B), Douglas Stanger Sub-V Trustee received \$17,711.20 at settlement for distribution (Line 1307, Exhibit B), and the Debtor received \$4,427.79 at settlement (Line 1309, Exhibit B) – however, by agreement with Philly Properties GP, LLC, this \$4,427.79 was paid over to Philly Properties GP, LLC.

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to \$5,000 per month in Year 2, that will result in \$60,000 less being paid through Periodic Payments.

18. Nevertheless, the Plan would still be overfunded, as it would provide for Periodic Payments of \$492,000 to satisfy \$481,604.84 of remaining Plan obligations.

PROPOSED PLAN MODIFICATION

19. In general, I ask the Court to set forth a schedule and deadlines for consideration of a modification to the Plan.
20. The Debtor's source of funding for the Periodic Payments is a combination of the Debtor's revenue, the revenue of other businesses in which I have an ownership interest, and contributions from family members as needed.
21. Unfortunately, the Debtor's revenues have not grown as originally projected and the revenues of my other businesses has not increased sufficiently to comfortably step up the Periodic Payments to \$10,000 per month in Year 2.
22. The Plan does not provide deadlines for the sale of 120 Peace Lane, 13 Riviera Drive, 703 West Road, and 5300 Master Street. The proposed Plan modification will have deadlines and guidance as to the process for selling these properties.³
23. Enclosed with this motion is a proposed order which sets forth the proposed plan, which I ask the Court to enter.

I certify that the above statements are true to the best of my knowledge and ability.

BY: /s/ Darrell Choates
Darrell Choates
Choates G. Contracting, LLC

Date: February 22, 2023

³ As a side note, the Debtor is also willing to consider deeding over certain properties to Philly Properties GP, LLC in satisfaction of debts, if Philly Properties GP, LLC is interested.



A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File No. CANJ-117214	7. Loan No. 110070213	8. Mortgage Insurance Case No.
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv Ins.				
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.);" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.					
D. Name & Address of Borrower: ZBLLC LLC 4075 Higbee Street Philadelphia, PA 19135			E. Name & Address of Seller: Choates G. Contracting, LLC 122 Danton Lane Mullica Hill, NJ 08062		F. Name & Address of Lender: Hometown Equity Mortgage, LLC dba theLender 25531 Commercentre Drive Ste 250 Lake Forest, CA 92630
G. Property Location: 122 Danton Lane Mullica Hill, NJ 08062			H. Settlement Agent: City Abstract, LLC Place of Settlement: 46 West Main Street Maple Shade, NJ 08052		I. Settlement Date: 12/23/2022 Funding Date: 12/23/2022 Disbursement Date: 12/23/2022

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower	
101. Contract sales price	\$600,000.00
102. Personal property	
103. Settlement charges to borrower (line 1400)	\$26,361.97
104.	
105.	
Adjustment for items paid by seller in advance	
106. City/Town Taxes 12/23/2022 to 12/31/2022	\$359.47
107. County Taxes	
108. Assessments	
109. 2022 HOA 12/23/2022 to 12/31/2022	\$10.96
110.	
111.	
112.	
120. Gross Amount Due from Borrower	\$626,732.40
200. Amount Paid by or in Behalf of Borrower	
201. Deposit	\$30,000.00
202. Principal amount of new loan(s)	\$480,000.00
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/Town Taxes	
211. County Taxes	
212. Assessments	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	\$510,000.00
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	\$626,732.40
302. Less amounts paid by/for borrower (line 220)	\$510,000.00
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$116,732.40

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	\$600,000.00
402. Personal property	
403.	
404.	
405.	
Adjustment for items paid by seller in advance	
406. City/Town Taxes 12/23/2022 to 12/31/2022	\$359.47
407. County Taxes	
408. Assessments	
409. 2022 HOA 12/23/2022 to 12/31/2022	\$10.96
410.	
411.	
412.	
420. Gross Amount Due to Seller	\$600,370.43
500. Reductions in Amount Due to Seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	\$166,495.25
503. Existing loan(s) taken subject to	
504. Payoff to Mr. Cooper	\$413,875.18
505. Payoff to Scott Braidwood	\$20,000.00
506.	
507.	
508.	
509.	
Adjustments for items unpaid by seller	
510. City/Town Taxes	
511. County Taxes	
512. Assessments	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	\$600,370.43
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	\$600,370.43
602. Less reductions in amounts due seller (line 520)	\$600,370.43
603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

Case 21-13085-ABA Doc 243-2 Filed 03/23/23 Entered 03/23/23 09:26:29 Desc Exhibit A - Claims Summary Page 1 of 1

Choates G. Contracting
CLAIMS AS OF CONFIRMATION OF PLAN AND LEAD UP TO SALE OF 122 DANTON LANE

Creditor	Amount	Class Under the Plan	Type of Claim	Priority of Amount to Be Paid	Claim # - if filed	Notes
ADMINISTRATIVE						
McDowell Law - Debtor Atty Fee- Approved @ #140	\$ 29,977.50	Administrative	Admin	1 \$	29,977.50	Docket 140
McDowell Law - Debtor Atty Expenses- Approved @ #140	\$ 3,207.24	Administrative	Admin	1 \$	3,207.24	Docket 140
Douglas Stanger - Sub-V TR Fee - Approved @141	\$ 7,660.00	Administrative	Admin	1 \$	7,660.00	Docket 141
Douglas Stanger - Sub-V TR Expenses - Approved@141	\$ 100.00	Administrative	Admin	1 \$	100.00	Docket 141
Bradley Sclar - Special Counsel Fee - Approved @146	\$ 2,900.00	Administrative	Admin	1 \$	2,900.00	Docket 146
Bradley Sclar - Special Counsel Expense - Approved @ 146	\$ 35.71	Administrative	Admin	1 \$	35.71	Docket 146
Bederson LLP - Accountant Fees - Approved @155	\$ 13,986.00	Administrative	Admin	1 \$	13,986.00	Docket 155
Bederson LLP - Accountant Expenses- Approved @155	\$ 73.90	Administrative	Admin	1 \$	73.90	Docket 155
McDowell Law - Debtor Atty Supplemental Fee -						
McDowell Law - Debtor Atty Supplemental Expenses						
Douglas Stanger - Sub-V TR Fee - Supplemental						
Douglas Stanger - Sub-V TR Expenses - Supplemental						
PRIORITY TAX CLAIMS						
State of New Jersey	\$ 1,671.24	Priority Tax Claim	Priority Unsecur	2 \$	1,671.24	1
SECURED						
US Bank for Velocity Commercial Capital / Nationstar	\$ 409,464.74	1 Secured	0 \$	-	9	Satisfied outside of plan through sale of property 12/23/2022
City of Philadelphia / School District	\$ 4,695.47	2 Secured	0 \$	-	4	Satisfied outside of plan by Debtor's principal
City of Philadelphia / Water Revenue Bureau	\$ 1,534.71	3 Secured	0 \$	-	6	Satisfied outside of plan by Debtor's principal
Sandra Reneesa Miller	\$ 90,000.00	4 Secured	0 \$	-	NONE	No distributions through plan
BSI Financial Services	\$ 213,265.65	5 Secured	0 \$	-	5	No Distributions. Surrendered in full satisfaction.
Pennsville Township	\$ 16,052.59	6 Secured	0 \$	-	3	No distributions through plan
MidFirst Bank	\$ 12,424.11	7 Secured	0 \$	-	10	No distributions through plan
Philly Properties GP, LLC	\$ 245,019.00	8 Secured	3 \$	245,019.00		
UNSECURED						
Sunbelt Rentals	\$ 10,734.60	General Unsecured	General Unsecur	4 \$	10,734.60	2
Philly Properties GP, LLC	\$ -	General Unsecured	General Unsecur	4 \$	-	7
Drexel Properties GP, LLC	\$ 264,981.00	General Unsecured	General Unsecur	4 \$	264,981.00	8
Turnkey Management Corp.	\$ 6,700.00	General Unsecured	General Unsecur	4 \$	6,700.00	11
Scott E. Braidwood	\$ 18,565.00	General Unsecured	General Unsecur	4 \$	18,565.00	12
TOTAL PLAN FUNDING REQUIRED				\$	605,611.19	

L. Settlement Charges		
700. Total Real Estate Broker Fees		
Division of commission (line 700) as follows:		
701. \$		
702. \$		
703. Commission paid at settlement		
704.		
800. Items Payable in Connection with Loan		
801. Our origination charge \$9,600.00	(from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen \$2,160.00	(from GFE #2)	
803. Your adjusted origination charges	(from GFE #A)	\$11,760.00
804. Appraisal fee	(from GFE #3)	
805. Credit report	(from GFE #3)	
806. Tax service	(from GFE #3)	
807. Flood certification	(from GFE #3)	
808. Application Fee to Hometown Equity Mortgage, LLC dba theLender		\$1,995.00
809. Lender Doc Prep Fee to Hometown Equity Mortgage, LLC dba theLender		\$599.00
810.		
811.		
900. Items Required by Lender to be Paid in Advance		
901. Daily interest charges from 12/23/2022 to 01/01/2023 @ \$140.00 /day	(from GFE #10)	\$1,260.00
902. Mortgage insurance premium	(from GFE #3)	
903. Homeowner's insurance to State Farm	(from GFE #11)	\$1,928.00
904.		
1000. Reserves Deposited with Lender		
1001. Initial deposit for your escrow account	(from GFE #9)	\$1,254.87
1002. Homeowner's insurance: 3 months @ \$160.67 per month \$482.01		
1003. Mortgage insurance		
1004. Property taxes: 2 months @ \$1,094.20 per month \$2,188.40		
1005.		
1006. Aggregate Adjustment		
1007. Aggregate Adjustment \$0.00		
1100. Title Charges		
1101. Title services and lender's title insurance	(from GFE #4)	\$25.00
1102. Settlement or closing fee to City Abstract, LLC		
1103. Owner's title insurance to City Abstract, LLC	(from GFE #5)	\$2,500.00
1104. Lender's title insurance to City Abstract, LLC \$25.00		
1105. Lender's title policy limit \$480,000.00		
1106. Owner's title policy limit \$600,000.00		
1107. Agent's portion of the total title insurance premium to City Abstract, LLC \$2,175.00		
1108. Underwriter's portion of the total title insurance premium to Westcor Land Title Insurance Company \$350.00		
1109. Title - Wire Fee to City Abstract, LLC		\$30.00
1110. Title - Overnight Fee to City Abstract, LLC		\$30.00
1111. Title - Examination Fee to City Abstract, LLC		\$100.00
1112. Title - Tax and Municipal Search to City Abstract, LLC		\$31.00
1113. Title - Judgment and Patriot Search to City Abstract, LLC		\$24.00
1114. Title - eDoc Fee to City Abstract, LLC		\$50.00
1115. Title - Copies to City Abstract, LLC		\$35.00
1116. Title - County Search to City Abstract, LLC		\$95.00
1117. Title - NOS Recording & Handling Fee to City Abstract, LLC		\$45.00
1118. Title - Tidelands Search to City Abstract, LLC		\$25.00
1119. Title - Notary Fee to City Abstract, LLC		\$25.00
1120. Lender's ALTA 8.1-06 Endorsement to City Abstract, LLC		\$25.00
1121. Lender's NJRB 5-157 Endorsement to City Abstract, LLC		\$25.00
1122. Lender's NJRB 5-37 Endorsement to City Abstract, LLC		\$25.00
1123. Lender's ALTA 5.1-06 Endorsement to City Abstract, LLC		\$25.00
1124. Title - Settlement Fee to City Abstract, LLC		\$262.50
1125. Title - Corporate Status to City Abstract, LLC		\$30.00
1126. CPL (Lender) to Westcor Land Title Insurance Company		\$75.00
1200. Government Recording and Transfer Charges		
1201. Government recording charges	(from GFE #7)	\$500.00
1202. Deed \$200.00 Mortgage \$300.00 Release \$100.00 to Gloucester County Recording Office		\$100.00
1203. Transfer taxes	(from GFE #8)	
1204. City/County tax/stamps Deed \$ Mortgage \$		
1205. State tax/stamps Deed \$ Mortgage \$		
1206.		
1300. Additional Settlement Charges		
1301. Required services that you can shop for	(from GFE #6)	
1302. Payoff to Sunnova Energy-1/8/2023 to Sunnova Energy - POC by seller \$3,307.10		\$55,362.78
1303. 2022 Taxes - 4th Qtr to South Harrison Township, Tax Collector - POC by seller \$3,307.09		
1304. 2022 HOA Dues to Cambridge Meadows Homeowner's Association - POC by seller \$400.00		
1305. One-Time Initial HOA Fee to Cambridge Meadows Homeowner's Association		\$300.00
1306. 80% net proceeds to Philly Properties GP, LLC c/o Silvering, Rosenzweig & Hiltzman, LLC to Philly Properties GP, LLC		\$88,555.98
1307. 16% to D. Stanger Sub-V Trustee for Choates G. Contracting, LLC to Douglas Stanger, Sub-V Trustee		\$17,711.20
1308. 1st Quarter Taxes to South Harrison Township		\$3,282.60
1309. 4% to Choates G. Contracting, LLC to Choates G. Contracting, LLC		\$4,427.79
1310.		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		\$26,361.97

See signature addendum

Signature Addendum

ZBLIC LLC, a New Jersey Limited Liability Company

Choates G. Contracting, LLC, a Limited Liability Company

By: Terrell Balkcom Dec 23 2022
Zerick Balkcom, Sole Member Date

By: Darrell Choates 12-23-22
Darrell Choates, Sr., Sole Member Date

The HUD-1 settlement statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement

Settlement Agent

Date

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Attorneys for Choates G. Contracting, LLC, Chapter 11 Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

IN RE:

Case No.: 21-13085-ABA

Choates G. Contracting, LLC

Chapter No.: 11

Hearing Date: 3/21/23 @ 10 am

BRIEF IN SUPPORT OF MOTION TO AMEND DEBTOR'S CONFIRMED CHAPTER 11 PLAN

Choates G. Contracting, LLC ('Debtor' or 'the Debtor') seeks to modify its confirmed Chapter 11, Sub-Chapter V non-consensual plan of reorganization (the 'Confirmed Plan'). The Confirmed Plan was confirmed pursuant to 11 U.S.C. §1191(b).

Modification of a Sub-Chapter V non-consensual plan of reorganization is governed by 11 U.S.C. §1193(c):

"Certain other modifications. If a plan has been confirmed under section 1191(b) of this title, the debtor may modify the plan at any time within 3 years, or such longer time not to exceed 5 years, as fixed by the court, but may not modify the plan so that the plan as modified fails to meet the requirements of section 1191(b) of this title. The plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such plan, as modified, under section 1191(b) of this title."

The Debtor has proposed a plan modification which reduces periodic plan payments from \$10,000 per month to \$5,000 per month in year two (2) of the plan (with payments to begin accruing March 2023 and any accrued payments to be made within ten (10) days of confirmation of the modified plan. The plan modification also imposes deadlines to liquidate property owned by the Debtor for which there was no deadline set in the Confirmed Plan. However, the most important fact about the proposed modified plan is that it remains a 100% case.

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In this case, the Debtor meets all required elements for a plan modification:

- The plan was confirmed under section 1191(b);
- The plan was confirmed within three (3) years of the date that the modification is sought;
- The plan continues to comply with the requirements of 1191(b) (and as to feasibility, the Debtor points to the fact that it made all required \$5,000 per month payments in the first year of the plan); and
- Circumstances warrant the modification

The law concerning elements (a), (b), and (c) are not novel. However, the final element "circumstances warrant the modification" is novel in the context of Sub-Chapter V case. Given the timing of the implementation of Sub-Chapter V cases in the Bankruptcy Code, it is not surprising that there is a dearth of cases interpreting this provision. However, the phrase "circumstances warrant ... modification" appears in 11 U.S.C. §1127(b) (governing modification of Chapter 11 (non Sub-Chapter V) plans after confirmation and before substantial consummation. As such it is suggested that decisions interpreting the provision of §1127(b), as would also be applicable to a modification under §1193(c). Generally, the Debtor also believes that the principles of law regarding modifications under §1127 should also apply.

In this matter, the Debtor's revenues have failed to increase such that it can comply with its monthly plan payment obligation of \$10,000 per month in Year 2 of the Plan. As such, the Debtor seeks to modify the plan payment to \$5,000 per month for Year 2 and leave the remaining payment schedule unaffected.

The Debtor submits that the decision of whether to grant or deny a modification of a Chapter 11 plan falls within the sound discretion of the bankruptcy court. *See, e.g. In re Sandford, 498 B.R. 307, 311-312 (Bankr. D.N.M. 2013) (with an overview of cases in favor of and in opposition to this proposition).* If the decision to grant a modification is in the court's sound discretion, that means that there is no requirement of the Debtor to show a substantial, unanticipated change in the Debtor's financial condition.

THE COURT SHOULD GRANT THE PROPOSED MODIFICATION

If the Debtor's case is converted to Chapter 7 or dismissed, it will harm the Debtor, the Debtor's principal, and Creditors. The Debtor's Chapter 11 plan is funded from contributions from non-debtor sources. If the case is dismissed or converted, that future stream of income will disappear. Moreover, the plan as modified, would self-impose deadlines to sell the remaining real estate properties owned by the Debtor. In addition, the proposed terms for conducting the sales are transparent and favorable to creditors – permitting Philly Properties GP, LLC and Drexel Properties GP, LLC to select the realtor, authorizing the realtor to share all information with said creditors, and mandating acceptances of offers at certain price points.

Most importantly, the plan remains a 100% plan.

Even if, purely for the sake of argument, it is uncertain that the Debtor will be able to increase its plan payments to \$12,000 per month for Years 3, 4, and 5 of the plan, it would *still* be in the best

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interests of creditors to grant the modification. Under a modified plan, the Debtor will have made and additional \$50,000 in monthly periodic payments and liquidated the remainder of its properties.

Respectfully submitted,

Attorneys for Debtor
Choates G. Contracting, LLC

BY: /s/ Daniel L. Reinganum, Esq.
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Proposed Order Proposed Order Page 1 of 2

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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE:

Choates G. Contracting, LLC

Case No.: 21-13085-ABA

Chapter No.: 11

Hearing Date: April 27, 2023 @ 10 am

**ORDER GRANTING MOTION TO MODIFY CONFIRMED CHAPTER 11, SUB-CHAPTER V, NON-
CONSENSUAL PLAN OF REORGANIZATION**

The relief set forth on the following pages, numbered two (2) through two (2), is hereby **ORDERED**.

.....

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Debtor Choates G. Contracting, LLC brought this matter before the Court seeking to modify the terms of the Debtor's Second Amended Small Business Subchapter V Plan, dated October 19, 2021 (Doc. 76, the "Plan of Reorganization"), confirmed pursuant to 11 USC §1191(b) by the Court by Order dated December 22, 2021.

And the Court having determined that the Debtor's Chapter 11, Subchapter V Debtor's First Post-Confirmation Modified Plan of Reorganization dated March 16, 2023 (*Docket No. 240*) satisfies the requirements of 11 U.S.C. §1191(b), and that circumstances warrant the modification of the Plan of Reorganization within the meaning of 11 U.S.C. §1193(c), it is hereby:

ORDERED AS FOLLOWS:

1. The Motion is **GRANTED**.
2. The Debtor's Second Amended Chapter 11 Plan of Reorganization dated October 19, 2021 is **MODIFIED**.
3. The Debtor's Chapter 11, Subchapter V Debtor's First Post-Confirmation Modified Plan of Reorganization dated March 16, 2023 (*Docket No. 240*) is confirmed.
4. The Debtor's Chapter 11, Subchapter V Debtor's First Post-Confirmation Modified Plan of Reorganization dated March 16, 2023 is now the "plan", as that term is used in 11 U.S.C. §1193(c).